

**POLICY SPEECH FOR 2018/2019
FINANCIAL YEAR**
**"100 YEARS OF NELSON MANDELA: THE
YEAR OF RENEWAL, UNITY AND JOBS."**
14 MARCH 2018

Madam Speaker,

Honourable Premier,

Members of the Executive Council,

Your Majesties, Kings and Queens,

Members of the Provincial Legislature,

Executive Mayors of District and Metropolitan Municipalities,

Executive Committee of the Provincial House of Traditional Leaders,

Chairpersons of the Local Houses of Traditional Leaders,

The Congress of Traditional Leaders of South Africa,

Heads of Departments,

Members of the Senior Management Service

Distinguished Guests,

Fellow South Africans.

Madam Speaker, this policy speech takes place during an important period of our democracy, where we have all been challenged by the President to enter into a new social compact with the people - to change our way of thinking and to embark on a major drive to do things differently, faster and more efficiently.

As we approach the end of the 5th term of government, we are challenged to reflect on the achievements and challenges of this term, as well as to evaluate the strategies implemented get to certain outcomes. We will do this review internally to measure the effectiveness of those strategies and the results achieved.

Since 1994, working together with our people to move South Africa forward to eradicate the legacy of colonialism and apartheid, the lives of our people have improved and South Africa is a much better place than it was before 1994. However, we need to take stock of how far we have gone to achieve those objectives.

Madam Speaker, we take this route in tandem with the African National Congress (ANC) dedication of 2018 as the year of the late icon, *Isithwalandwe*, Nelson *Rolihlahla* Mandela, who back then in 1994, through the ruling party's election manifesto made a commitment to create a better life for all South Africans to defeat inequality, unemployment and poverty.

Honourable Members our journey of changing lives continues. Our struggle for a better life for all has now reached its second phase, in which we are receiving a clarion call to develop sharp and focused strategies that will propel us towards the implementation of radical socio-economic transformation as one of the key strategies to address the triple challenges of poverty, unemployment and inequality across the length and breadth of our country.

More than ever before, we must work together to promote nation building, unity and solidarity as we free the economy from the shackles of the past. We cannot rest until the economy is in the hands of the people.

South Africans continue to enjoy 24 years of freedom. Without a doubt, we have made significant steps towards achieving the vision of the Freedom Charter which states that “**South Africa belongs to all who live in it, black and white**”. This has been a collective South African effort, personified in the greatness of the late father of our nation, **Madiba**, to whom we dedicated the 2014 Election Manifesto.

Dalibhunga, as he was affectionately known, was one of the greatest leaders ever produced by this country and movement. His revolutionary spirit continues to inspire our efforts to ensure that the poor and the working class truly benefit from the material fruits of freedom to which he dedicated his entire life.

It is for this reason that we must at all times, work together to realise his vision of humanity, a better life for all, a better Africa and a better world. Let us live and adhere to the values for which this great statesman lived and died for.

Ladies and gentlemen, in our midst we have the Kings and Queens of this Province as our key stakeholders in nation building. Also present is: the Executive Committee of the Eastern Cape House of Traditional Leaders, Chairpersons of Local Houses, District Mayors, Mayors of our Metropolitan Municipalities and members of Contralesa.

We thank them most sincerely for their presence which constitutes a statement of hope that we will work together to achieve the vision of **Madiba** – peace, unity, social cohesion and a better life for all.

Madam Speaker our goals in COGTA are to:

- Build a developmental local government;
- Create an efficient and effective system of local governance;
- Develop efficient and effective municipal institutions;
- Build capacity of both municipalities and traditional institutions and
- Build viable and sustainable developmental municipalities that deliver basic services in a sustainable manner.

Madam Speaker and Honourable Members, as we approach the end of the term, allow me to mention a few of our key achievements from the last financial year; namely;

- **505** War Rooms were established;
- **705** Ward Committees were trained on their roles and responsibilities;
- **33** municipalities were assisted to improve Public Participation Systems and Citizen Engagement;
- The Provincial Spatial Development Framework has been revised to facilitate planning;
- We have successfully intervened in Makana; Walter Sisulu; Engcobo and Port St Johns local municipalities thereby restoring stability and order;
- In Great Kei, forensic investigations are underway conducted by the National Treasury on various allegations of fraud and corruption which resulted in disruptive protests actions.
- We applaud the work of whistle blowers which resulted in arrests in Engcobo, Senqu, Mquma and Alfred Nzo municipalities.
- In Walter Sisulu a former Councillor has been found guilty and sentenced to eight years imprisonment with three years suspended. Effectively she will serve five years. The arrest was due to the work of a Community Development Worker as a whistle blower.

On electricity infrastructure, we can report that through our interventions, the following achievements are recorded:

- Lights have been switched on benefitting 36 households in Nkantolo in Mbizana Local Municipality. This is the birthplace of the longest serving President of the ANC, Oliver Reginald Tambo;
- **600** households have been energised in Phola Park in King Sabatha Dalindyebo Local Municipality;
- **400** households in Thulaneng in Matatiele Local Municipality will be energised once Eskom switches on the power line;
- **300** households in Batlokwa in Elundini Local Municipality will be energised once electricity meters have been delivered;
- **300** households in Mhlotsheni in Umzimvubu Local Municipality are waiting for the delivery of meters by Eskom before energising.

Madam Speaker and Honourable Members, Siyaqhuba Asimanga.

Turning to Local Economic Development:

- **42, 000** job opportunities were created through the Community Works Programme (CWP) in Port St Johns, Alice, Nyandeni, Mount Fletcher, Mbizana, Kirkwood and Ntabankulu.

Through our continued support to municipalities, municipalities have been supported to implement their Audit intervention Plans. We are pleased to state that an amount of **R1,1m** was effectively used in Inxuba Yethemba and the municipality has improved from a disclaimer to an unqualified audit opinion.

Good work has been achieved in the fight against fraud and corruption as follows,

- Fact finding investigations were conducted in Alfred Nzo District Municipality into allegations of mismanagement and financial irregularities by the Special Investigation Unit (SIU). The proclamation R19 of 2017 published on 25 April 2017, was received by the SIU which led to the arrest of the perpetrators. They were charged criminally and internal disciplinary measures have been instituted.
- We have made referral to the SIU in respect of Amahlathi Local Municipality which led to Proclamation R31/2016 published on the 20th May 2016. Subsequently, forensic investigations were conducted on the “yellow fleet” hence the discontinuation of the contract and the Service Provider was charged criminally.
- We have also made a request to the National Treasury to conduct Forensic investigations in Ntabankulu Local Municipality in relation to irregular appointment of service providers, Municipal Infrastructure Grant (MIG) Projects, payments made for services not rendered, road projects poorly constructed and officials appointed irregularly.
- A referral was made to the Hawks on the erstwhile Ikwezi Local Municipality now Dr Beyers Naude Local Municipality on allegations of financial misconduct and appointment irregularities. The Municipal Manager and Legal Advisor were found guilty and dismissed.
- In Enoch Mgijima Local Municipality, corruption allegations against two Councillors and a Ward Committee Member were confirmed. The matter was referred to the relevant branch for implementation.
- Investigations have been conducted on allegations of fraud in Blue Crane Route Local Municipality and recommendations have been submitted to the Mayor for implementation. We will continue to make follow ups to ensure that the recommendations are implemented by the Municipal Council.
- We have entered into a Memorandum of Understanding (MoU) with the SIU. Twenty five (25) matters are currently being investigated originating from the National Anti-Corruption Hotline.

Madam Speaker, the above highlights are an indication that our focus is to position the Department to be the leader in co-ordinating service delivery in the context of the single window approach and a **corruption free environment**.

Madam Speaker and Honourable Members, we are making this declaration tongue in cheek as we realize that we may have dropped the ball somewhere and we are now ready to position the Department and discharge our mandate as envisaged in the legislative and regulatory environment.

Decentralisation is an ongoing project. The Department will complete this task within a period of three months. The Department will also undertake a skills audit project for Middle Management System and Senior Management System as well as coaching of SMS members by institutions of higher learning.

The Department will establish and utilise a database of potential middle management and senior management job candidates with disabilities to encourage them to apply for vacant positions in the Department which they are best suited for.

Madam Speaker, it is through local government that we can speed up the delivery of services and improve the quality of life of all our people to ensure that sustainable development takes place for the betterment of our communities. In this regard, the provision of free basic electricity and water to our people will lessen the difficulty of the poorest among us.

The Dawn of a New Era

Madam Speaker, we are all aware of the new deal as presented by the President of the Republic of South Africa, His Excellency, Mr Cyril Ramaphosa, who has extended a call on all of us to raise our hands and commit to the new dawn. We commit our Department to be ready to be sent to all corners of this province and ensure that development is happening there.

This year, we will start the hand holding process for municipalities in distress, identify their challenges and send in teams of experts to unblock the blockages that undermine sustainable service delivery and ensure enhanced levels of efficiency and effectiveness in municipalities and traditional institutions.

Once again, we note without reservations that, it is through local government that we can speed up the delivery of services and improve the quality of life of all our people to ensure that sustainable development takes place where people live. In this regard, we will closely monitor and support municipalities to address their challenges that prevent them from discharging their mandate, namely the provision of basic services and free basic services to our people.

True to the idea that the people shall govern, the people of the Eastern Cape will have to strengthen their own involvement on all matters of local government through regular contact with their elected representatives. In turn, our elected representatives must focus on serving the people by open and continuous dialogue with them on matters of service delivery through functional Ward Committees and Ward War Rooms.

The support to the local governance structures has been beefed up with the Ward Committees, Community Development Workers, Community Workers Programme, Traditional Councils and Traditional Leaders. These structures will be strengthened, reviewed and repositioned for effective and efficient functioning at local level.

To this end, COGTA intends to enforce legislative compliance by Councillors to have clear community engagement plans as per Schedule 5 of the Municipal Systems Act, 2000. On-going support will be given in partnership with SALGA

and other stakeholders, especially in providing support to the Speakers of municipalities to monitor and enforce engagement at ward level by all Councillors.

Madam Speaker, we will endeavour to support and empower municipal Speakers to enforce public participation and engagement with communities to reduce the number of service delivery protests that are ever increasing in our communities especially towards elections.

Honourable Members, I should also mention that we will intensify the remodelling and revitalisation of **Operation Masiphathisane** in the interest of improving active citizenry, coordination and integration of government services, promotion of Local Economic Development (LED), environmental care and to address the social ills through behavioural change campaigns.

We view the War Room approach as part of the process of broadening the functionality of the Ward Committee System and Ward based planning to ensure that community based plans are inclusive of all sections of society. This process shall help government to improve its planning process, prioritise service delivery needs and respond to community needs in line with the Back to Basics Programme.

Madam Speaker, to this end we will continue to support municipalities to develop Public Participation Policies which will clearly define the roles and responsibilities of the various structures in communities. We will ensure that there is better coordination at this level to effectively drive Operation Masiphathisane.

Good governance in municipalities depends on the effective management and administrative competence as well as the collective will of municipal Councils to work for progressive change. The challenge facing some of our **Municipal Councillors** is failure to provide quality and sustainable services within the broader context of growth and development. In this regard, we call on all Councillors as public representatives, to demonstrate unwavering commitment to fight corruption and promote safe and healthy environments.

Improving Municipal Communication

Madam Speaker, one of the areas of weakness in the municipal space is the lack of communication by municipalities, especially to communicate achievements, delays in projects, non-compliance with Integrated Development Plans due to funding and capacity challenges. We believe that effective communication could significantly improve relations between municipalities and the communities they serve. The case in point is the **non-payment of municipal services** by communities, which undermines the general ability of municipalities to manage and drive development.

The non-payment for services has created a monstrous debt which municipalities cannot cope with. As has been reported in the media, municipal debt is one of the biggest challenges facing **amalgamated municipalities** and it threatens the sustainability of local government. These matters need to be communicated to communities on an on-going basis as a factor responsible for the unviable state of our municipalities.

Working with District, Metro and Local Municipalities, COGTA will continue to strengthen the local government **communication system** through provision of support to municipal communication units and traditional institutions. The forum will also facilitate the provision of feedback from MinMEC, MuniMEC and Council meetings.

We will endeavour to set up a shared cost infrastructure that will effectively profile each municipality and on a regular basis give updates of the developments in these municipalities on compliance issues, latest developments and general performance of municipalities. In this regard we are planning to build confidence of communities in municipalities through transparency, addressing misconceptions and shared information.

Delivering Basic Services

Madam Speaker, the Department will ensure that members of society have access to sustainable and reliable access to basic services. This we will achieve by supporting the 39 municipalities to meet their targets for basic services in line with their credible Integrated Development Plans.

To intervene in this area, Madam Speaker and Honourable Members, we will develop a simple framework for the municipalities to develop **indigent registers** and indigent support strategies to support the poor and mobilize resources to support their indigent, however this process should be done conscientiously as a business process rather than a compliance issue.

The Department is well on course with the development and implementation of the **Provincial Spatial Development Framework** to advance the integration of government programmes and projects to meet the objectives of a functional local government.

Building Planning Capacity

Ladies and Gentlemen, one of the critical services and competencies required for effective service implementation is **planning**. The department is seized with the process of beefing up its planning capacity. To this end once the capacity is in place we will endeavour to support municipalities by promoting the use of shared services development approach. A number of provinces have followed the shared services model for planning and other municipal functions, this has yielded success in areas of shared resources, skills, expertise and costs. The benefit of this approach is that when the district family of municipalities cooperate the outcome is a win-win situation in all aspects.

I must add that there is still a great need for COGTA and Members of the Executive Council to meet with Traditional Leadership to find common ground on SPLUMA. We support the adoption of the Parliamentary motion on Land Expropriation without compensation. We commit ourselves to support all processes leading to the implementation of this motion.

The Department has a renewed sense of urgency to develop strong capacity at municipal level to ensure that we move with speed to promote development, provision of basic services and promotion of Local Economic Development.

Local Economic Development

It must always be borne in mind that the role of COGTA in economic development is to support municipalities to create a conducive environment for both public and private sector investment. The House will recall that in 2017, the Department hosted the Provincial LED Partnership Summit towards building partnerships for sustainable local economic development projects. Consequently, we have developed a 5-year Post Summit Implementation Plan on the most important matters raised during the Summit. The rollout process has already begun with Local Economic Development Agencies identifying catalytic projects that need provincial and national government intervention.

We have also resolved to fast track and support municipalities with the implementation of programmes that seek to enhance their ability to identify plans towards **radical economic transformation**. Some of the projects identified during the summit included small town and townships revitalisation, local economic development, integrated sustainable human settlements and improved roads' access.

The Department will focus on the development of Local Economic Development strategies and by-laws to drive economic development. Over the past 5 years we have ensured that we work with stakeholders to build collaboration between business and municipalities to create a conducive environment.

In November 2017, we signed new partnerships between Fort Hare University and Raymond Mhlaba Municipality as well as between Dr Beyers Naude and Mhlabisa Municipality. These two partnerships will be supported to drive service delivery and economic growth.

The Department in collaboration with the Office of the Premier and South African Local Government Association shall continue to coordinate the **revitalisation of the seven small towns**, namely Alice, Kirkwood, Ntabankulu, Port St Johns, Maclear, Libode and Ngqeleni in line with the Integrated Urban Development Framework.

The Department will also focus on the development and implementation of **beneficiation plans** to facilitate the use of local Small, Medium and Macro Enterprises as well as Local Labour in the revitalisation of the towns.

Madam Speaker, we have identified that the lack of a **cohesive strategy** to guide local economic development undermines our ability as government to galvanize and mobilize partnerships with the private sector, donors and investors. To position the province and municipalities, the department in collaboration with other provincial departments will develop a **Provincial Economic Spatial Development Plan**, which will inform the whole province where the primary and secondary corridors and nodes are situated, thus allowing government to coordinate vertically and horizontally with the private sector, State Owned Enterprises (SOE), Development agencies, Investors, donors and other players to map out the agenda for radical economic transformation in the Province. This will then fully inform the municipalities about developmental opportunities in their areas and the key players and stakeholders. Currently we are working with Statistics South Africa as well as SALGA to build LED capacity in municipalities. We will also activate other organs of state on small business funding in line with the recommendations of the LED Partnership Summit.

Madam Speaker, we are responsible for coordinating the Community Works Programme in the entire Province to create **43 100** job opportunities in the 2018/19 financial year. In collaboration with Community Works Programme implementing agents, we will train **500 participants**.

Ladies and gentlemen, we will further facilitate training and development on Cooperatives for all Implementing Agents. The intention is to equip them with requisite skills to support the CWP participants to establish and sustain their cooperatives.

Capacity Building in Municipalities

Madam Speaker, it is no secret that many municipalities are dogged by capacity challenges which include areas like legal, technical and finance. We will develop strategies to address these matters. In the course of the new financial year we will appoint a team of professionals who will be sent to municipalities to assist them to deal with identified challenges.

Ladies and Gentlemen, municipalities are inundated with the ever rising debts to Eskom and other service providers. The department does not have the capacity to bail them out and is also unable to continue to assist financially. We will solicit the services of professionals to help municipalities to stabilise their finances to be able to service their debts.

Financial professionals will develop sustainability processes and systems to help municipalities to clearly map their indigence, manage their infrastructure grants and their equitable share grants in a more sustainable manner. This will be based on long term strategies to get them out of debt and stabilize financially. This will include good governance, revenue enhancement and collection, risk management, anti-corruption and efficient financial management strategies.

Infrastructure Development

The ever growing challenge of poor infrastructure development and lack of technical capacity in municipalities remains our worst stumbling block. This area is the major source of service delivery protests.

The reality of the matter is that most of our municipalities are rural and mostly have very small budgets and therefore unable to attract the very best capacity. This is one area where we are urgently seeking to find the capacity of professionals to assist in infrastructure planning and project management. I must hasten to say that this intervention is not new. Previously the national Department of COGTA attempted to have this capacity, however due to financial constraints did not continue far enough. The high turnover of skills at municipal level is not helping either as it erodes institutional knowledge and hinders effective planning and delivery of basic services.

We will strengthen our support to planning and monitoring of infrastructure development by ensuring the functionality of Provincial and District infrastructure to assist Municipalities on electricity backlogs. We will also support and monitor municipalities on Infrastructure Projects especially for identified hotspot areas which relate to electricity, water, sanitation and refuse removal.

We shall continue to monitor, analyse, assess and report the performance of municipalities in their endeavours to eradicate infrastructure backlogs. Based on the Analysis Assessment findings, the Department working with MISA shall provide hands-on support to challenged municipalities by means of deploying technical experts and other skilled personnel.

As I have said, poor revenue collection continues to undermine the ability of municipalities to refurbish existing aging infrastructure. Some of the municipalities continue to be deprived of infrastructure due to high debt levels and very little or non-existent revenue base. We will continue to coordinate various sector departments through the Provincial Municipal Infrastructure Forum and District Wide Infrastructure Forum to encourage integration of sector municipal plans and municipal programmes to widen the service delivery foot-print.

We will also continue with the monitoring of completion and energising of the electricity hotspot projects that were funded during the previous financial year (2017/18). This year, the Department has allocated **R4 million** to King Sabatha Dalindyebo Local Municipality to complete the **Ngcwanguba -Jojweni project**. The last phase of the switching-on of the lights is envisaged to take place before the end of June this year.

The department, as required by the **Division of Revenue Act** and **Municipal Infrastructure Grant Framework**, will continue to assess support, monitor and report on the performance of municipalities in the spending of their MIG and other DORA promulgated capital grants.

The department in collaboration with Municipal Infrastructure Support Agency (MISA) will also intensify the monitoring and support of the performance of municipalities on Operations and Maintenance programmes and projects.

The Department will continue to support the transformation of agriculture as a game changer for the province through accelerating cadastral surveys for access to land rights in Joe Gqabi and Alfred Nzo District municipalities. The approval of land development applications will form part of the support package by COGTA.

Institutional and Social Development

It is our task to monitor the entrenchment of the Institutional and Social Development element in all municipalities. This is the contribution of the Department to job creation and poverty alleviation. We will be evaluating the impact of this programme to measure the impact on receiving communities and to determine mechanism that could expand coverage and the positive impact derived from this programme. We seek to achieve this through labour intensive methods of construction.

Indigent Programme of Support

Madam Speaker, the assessment and review of **Indigent Policies** will be conducted including the capacitation of stakeholders through Indigent Policy Workshops, Free Basic Services communication strategy, update of Indigent Registers, awareness campaigns, registration and verification processes and establishment of Indigent Steering Committees.

We will join forces with SALGA in the continuous capacitation and training of councillors to focus more stringently on areas necessarily to address issues of identification, planning for support and determination of costs of support for indigents. Further training of all councillors will be planned to empower them in monitoring and evaluation of the indigent management programme in their wards.

Disaster Management

Madam Speaker the advent of climate change is upon us. As a country, we are beginning to feel and suffer the effects thereof. A state of disaster has been declared by national government affecting three Provinces including the Eastern Cape in respect of drought. COGTA will be completing the process of developing strategies to mitigate the effects of El Nino and La Nina which are characterised by drought, storms and the ever declining dam levels.

Ladies and Gentlemen the challenges faced by our neighbour the Western Cape bring the reality of this dire situation closer to home. I have directed the Department in collaboration with other key Departments and municipalities to develop a provincial response strategy for disaster.

At the completion of this strategy, as a province we will run a climate change campaign and bring communities on board before the disasters get out of control to train and capacitate communities on mitigation strategies and plans to ensure the highest state of readiness in the province when the challenges of water shortages become a reality in the province

Honourable Members, allow me to say that the Provincial Disaster Management Centre has embarked on a project to develop, install and maintain a Provincial Disaster Management Integrated Information System. The system is critical for managing disaster risks on an on-going basis and to effectively anticipate, prepare for, respond to and monitor a range of natural and other hazards. Integrated disaster risk management depends on access to reliable hazard and

disaster risk information as well as effective information management and communication systems to enable the receipt, dissemination and exchange of information.

Intergovernmental Relations Framework

Madam Speaker, I would like the House to note that COGTA, OTP and Provincial Treasury have made progress with the development of the Provincial and Local Government Coordination and Integration Framework. This Framework will go a long way in closing the gap identified on the functionality and effectiveness of the Centre of government and the entrenchment of COGTA's central role as the single window of coordination in the provincial government's support to local government. Once the Memorandum of Understanding by the three Departments has been signed, COGTA undertakes to maximise coherence, collaboration and integrated planning in municipalities. We will also be able to establish formal strategic partnerships between our district support centres and district based sector departments.

I stand before this House to pledge the commitment of our Department from now onwards, to focus on the key areas that will see us taking our rightful place at the centre of this provincial government, coordinating the activities that directly affect service delivery vertically and horizontally across the Department, State Owned Enterprises and Communities to ensure that all hands are on the deck to deliver the long espoused objective of a better life for all.

These efforts are geared towards reclaiming COGTA's status as the co-ordinating department standing at the centre of government service delivery and ensuring a seamless coordinated function of government both vertically and horizontally.

Sound Financial and Administrative Management

Sound financial and administrative management, Ladies and Gentlemen is the cornerstone of our government. The department has worked very hard in the past few years to drive municipalities towards clean audit outcomes. While this continues to be a moving target, we have seen some positive movement which suggests that we are making sound progress overall in the achievement of clean governance.

Madam Speaker, this is no mean feat considering municipalities are finding it very difficult to find and attract highly skilled and competent people who are committed and willing to stay in municipalities. The revolving door continues unabated and skilled people continue to leave the municipal environment and the province.

Some municipalities continue to show improving trends in their audit outcomes towards achieving clean audits. An amount of **R1 million** has been made available for Dr Beyer Naude and Enoch Mgijima local municipalities to turn around their audit outcomes. **R15 million** has been earmarked for Section 139 intervention in Walter Sisulu Local Municipality.

Expanded Public Works Programme

Madam Speaker, the unemployment levels in our country continue to subject our people to abject poverty and squalor. Allow me to outline how we will target and direct our support for the implementation of the EPWP within our own capacity constraints.

According to Statistics South Africa, the Eastern Cape has **781 000** unemployed people, up from **565 000** in 2016, which means **216 000** jobs were lost between July and September last year.

This makes us to be the province with the highest unemployment rate of 35.5% in the third quarter of last year – substantially higher than the national figure of 27.7%.

Job creation is an important priority of government hence we will create **150 EPWP job opportunities** in Buffalo City Metropolitan and Intsika Yethu municipalities. The job opportunities for Alice and Nyandeni Local Municipalities have been transferred to help enhance the implementation of current projects.

All the 150 participants shall be offered targeted training based on a skills audit to up skill and prepare them for the formal job market. In this regard, the 2018/19 funding business plan has been submitted to the National Department of Public Works to the tune of **R2, 1 million**.

Traditional Leadership Institutional Management

Ladies and Gentlemen, we are resolute in promoting effective and efficient institutions of local governance. **Traditional leadership institutions are key and strategic partners** in realising the objective of developmental local government.

Traditional Leaders constitute a large percentage of our compensation of employees (CoE) budget. Whilst we are not saying traditional leaders are the employees of this Department, it goes without saying that **the public expects to get value for money from salaries paid to Traditional Leaders**. In this financial year, the Department will identify gainful tasks to be played by Traditional Leaders in the context of renewal and nation building.

One of the critical areas of partnership between municipalities and traditional leadership institutions is the renewed urgency of promoting co-ordination and co-operation around land issues to unlock development opportunities in agriculture, environmental management and service delivery. In the context of the **rampant land grabs and illegal sale of land**, COGTA will facilitate joint roadshows between traditional leadership institutions. **Traditional Leaders should play a key role in community based planning and SPLUMA**.

The Department remains committed to improve the developmental capacity of traditional leadership institutions. To this end, we will focus on the **establishment of Traditional Councils** under the new dispensation and promote **partnership between the Traditional Councils and the municipalities** around them. We will facilitate access to traditional land under traditional leadership for human settlements and economic development.

Somlomo naMalungu abekileyo alendlu, njengoko nisazi ukuba iphondo lisenomceli mngeni wokuphelisa izihange kwisiko lokwaluko ukuze kusinde abantwana bethu, sizakuqinisa iphulo lokomeleza amaqonga ajongene nolwaluko ekuhlaleni kusetyenziswa umthetho wolwaluko.

We will remain focussed on the **eradication of fatalities and the rampant lawlessness** in the initiation space. We are in partnership with other stakeholders in this regards such as South African Police Service (SAPS), Department of Health, National Prosecuting Authority (NPA), Department of Social Development and Special Programmes and traditional leadership institutions to ensure the safety of our children while preventing all acts of criminality, hooliganism and wrong doing that seek to tarnish the image this customary practice.

COGTA will strengthen its systems and controls under the guidance of the **Customary Male Initiation Practice Act** to stop the deaths and injuries of initiates during the winter and summer initiation seasons.

We also applaud the effectiveness of the Traditional Initiation Monitoring Teams including the National Prosecuting Authority and the South African Police Services. This partnership has yielded some positive results. **The number of initiates dying has been significantly reduced** in the 2017 summer initiation season.

As a caring government, we undertake to strengthen working relations with the Department of Social Development and Special Programmes to have a co-ordinated support plan for **post - traumatic stress support** to victims of botched circumcision and their families.

Honourable Speaker, the Department is mindful of legislative processes that will lead to the full recognition of Khoisan traditional communities and their traditional leadership structures. **The Khoisan Bill** is being finalised by the National Department of Traditional Affairs.

Honourable Members, during this financial year, the Department will host a **Traditional Leadership Summit**. The summit is meant to promote participation of traditional leadership institutions in governance and developmental issues such as the impact of SPLUMA, LED, poverty eradication strategies and community safety and stability. We will continue to support the resolution of the traditional leadership disputes and we are eager to find speedy resolutions on these matters.

In this context, the Department has developed a **strategy to deal with Traditional Leadership claims and disputes** in the Province. This strategy will be fully implemented during the coming financial year. The capacity of Traditional Leaders and Traditional Leadership Institutions is equally important. To this end, working in partnership with the LGSETA we will drive the capacity building of Traditional Leadership utilising Jongilizwe Institute and other institutions of higher learning in the Province.

Honourable Speaker, our department has a responsibility to develop and maintain infrastructure for traditional leadership institutions. We have over a period of time constructed and renovated twenty Traditional Councils. A comprehensive Infrastructure Strategy for Traditional Leadership Institutions will be developed to speed up infrastructure provisioning.

The Department will be constructing two Traditional Councils in the new financial year. We can also report that there are engagements with all municipalities with projects for the construction of Community Halls under the Municipal Infrastructure Grant to make provision for offices of Senior Traditional Leaders.

COGTA will also approach the department of Human Settlements when it builds Multi-Purpose Centres to accommodate the needs of traditional leaders especially in areas that do not have such structures.

The resourcing of traditional leadership institutions in terms of personnel and equipment has been a challenge. The matter is receiving the undivided attention of the national Department of Cooperative Governance and Traditional Affairs to ensure standardisation and uniformity across provinces.

The Department is currently addressing the vacancies of secretaries of Traditional Councils through a phased approach. Already, **twenty five posts** during the current financial year have been filled and **in the coming financial year ten posts will be filled**.

The Department will continue striving to harmonize relations amongst traditional leadership institutions and government institutions with a view to improve the delivery of services to communities. To this end, a Forum for the Kings and Queens will be launched soon. The purpose of the Forum is to create a platform to engage with the Kings and Queens on developmental issues across Kingdoms.

Honourable Members, the functionality of traditional leadership institutions is key to enhance service delivery in traditional communities. To realise this, the department has **established Local Houses of Traditional Leaders in five**

(5) districts and one (1) metropolitan municipality after the Governance Framework Act, 2017 (Act no 1 of 2017) was passed.

The Local Houses have to be resourced with human and financial resources namely, personnel, office equipment, office accommodation, vehicles and budget. In the coming financial year **the department has made provision in its budget to address the resourcing of these institutions** to ensure their functionality. In an attempt to ensure the functionality of the Local Houses, COGTA has set aside **R3 million** towards operational and human resource needs of the local houses.

Our Province, **has two hundred and forty one (241) Traditional Councils**. The five (5) year term of members of these Councils ended three years back. During the coming financial we will drive a process to re-elect new members.

Allow me to mention that the state of our legislation requires that traditional leadership institutions should enter into partnerships with state and non-governmental institutions for the purpose of development and improving service delivery in their communities. To this end, the department working with Provincial House of Traditional Leaders will lead a process to establish these formal partnerships to improve service delivery in our communities.

The partnerships cannot be separated from our broader strategy to enhance revenue generation of Traditional Leadership Institutions for self-sustainability. Currently, **engagements are taking place with various institutions operating in traditional communities such as Vodacom, Eskom and those involved in mining of our natural resources like sand, gravel and coal**.

As part of our responsibility to support royal families during coronation and bereavements, I am glad to announce that in the coming financial year, support will be provided to the **coronation of King Ndamase-Ndamase** of Nyandeni. In this financial year, we will also provide the Kingdoms with resources as outlined in the **Policy on Tools of Trade**.

Anti-Corruption

President Ramaphosa has declared 2018 as the year in which **“we will turn the tide on corruption in public institutions.”**

We agree that anti-corruption efforts within the state must be more effectively coordinated and **all forms of corruption must be exposed and prosecuted**. This includes corruption, collusion and other criminal activities in the private and public sector, which must be fought with equal diligence and determination.

Strong and efficient law-enforcement agencies are critical to the fight against corruption and crime generally, and to the restoration of the integrity and legitimacy of the state.

We cannot continue with the current situation wherein **municipal councils receive forensic investigation reports and put them on the shelf to gather dust**. The Department, in partnership with law enforcement agencies will set up teams to follow up on such reports with a view to ensure that the findings are implemented.

We will continue to drive the **implementation of Section 106** as follow up action on forensic reports that were handed over to municipal Councils of the affected municipalities. The non-implementation of the recommendations of forensic investigations by the affected municipalities, remains a serious cause for concern.

Madam Speaker, the fight against **fraud and corruption remains an important priority** if we are to provide sustainable services to our communities. Recently, the Department has entered into a **Memorandum of Understanding (MoU) with the Special Investigation Unit** to deal with outstanding cases in identified municipalities. The MoU will provide extra capacity to COGTA officials to expedite all **outstanding fraud and corruption cases before them.**

Madam Speaker our department commits to run a clean and efficient government and we commit to assist and support municipalities to do the same.

We will ensure that Anti-corruption, whistle blowing strategies and interventions are in place to ensure ease of access to the Department. We further commit to work closely with the **Anti-Corruption Hotline 0800 701 701** in the office of the Premier.

In conclusion, Madam Speaker may I take this opportunity thank the Members of the Portfolio Committee on Cooperative Governance and Traditional Affairs for their guidance and also thank the SMS members of the Department for their commitment during the most difficult and trying times in the life of this Department and everyone who has bothered to be here today.

I hereby table the Annual Performance Plan of the Department for 2018/19 Financial Year.

Thank you

Overview of 2018/19 budget and MTEF Expenditure estimates

Expenditure Estimates

6.1 Summary of payments and estimates by programme: Cooperative Governance and Traditional Affairs

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2017/18
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21	
R thousand					2017/18					
1. Administration	213 549	207 341	233 490	265 411	262 583	261 232	269 302	265 774	281 629	3,1
2. Local Governance	227 863	321 142	267 123	300 565	274 160	272 660	242 475	243 528	269 964	(11,1)
3. Development And Planning	134 743	122 258	126 752	300 565	213 915	219 491	114 718	137 534	139 819	(47,7)
4. Traditional Institutional Management	270 423	291 128	299 250	308 269	324 421	317 773	322 374	354 598	384 306	1,4
5. House Of Traditional Leaders	25 515	26 650	26 917	30 239	29 387	29 524	34 930	27 042	28 529	18,3
Total payments and estimates	872 093	968 519	953 532	1 205 049	1 104 465	1 100 680	983 800	1 028 476	1 104 247	(10,6)